

15. From a technical perspective, the methods used by terrorists and their associates to generate funds from illegal sources differ little from those used by traditional criminal organisations. [...] It follows then that terrorist groups must similarly find ways to launder these funds in order to be able to use them without drawing the attention of authorities. In examining terrorist related financial activity, FATF experts have concluded that terrorists and their support organisations generally use the same methods as criminal groups to launder funds. Some of the particular methods detected with respect to various terrorist groups include: cash smuggling (both by couriers or bulk cash shipments), structured deposits to or withdrawals from bank accounts, purchases of various types of monetary instruments (travellers' cheques, bank cheques, money orders), use of credit or debit cards, and wire transfers. There have also been indications that some forms of underground banking (particularly the hawala system) have had a role in moving terrorist related funds.

[FATF Guidance for Financial Institutions in Detecting Terrorist Financing, at 5.]

98. Notwithstanding these standards and guidelines requiring increased scrutiny and due diligence to prevent non-profit organizations, or alleged charitable organizations, from being used as a cover for terror financing, Arab Bank nonetheless facilitated the banking needs for each of the organizations identified in paragraphs 38-43, 47, and 50-52, becoming a conduit for terrorist financing, despite knowledge that each of the organizations was being used, abused, misused, or exploited to aid, abet, facilitate and otherwise support Hamas, PIJ, AAMB, and PFLP in committing terrorist acts.

99. **Enforcement is required.** Pursuant to the Bank Secrecy Act, 31 U.S.C. §§ 5311 to 5324, the Secretary of the Treasury has prescribed regulations governing financial institutions' obligations to report certain currency transactions. 31 U.S.C. § 5313. In prescribed circumstances, financial institutions, including the defendants, must file Suspicious Activity Reports (Treasury Department Form 90-22.47), pursuant to section (a) of 31 CFR § 103.18 (Treasury), 12 CFR 21.11 (OCC), 12 CFR §§ 208.60 and 208.62 (Federal Reserve), 12 CFR §§

115. As the Israeli Supreme Court noted in its opinion regarding the appeal of Sheikh Ra'ed Salah:

“The modus operandi of the organization [known as] Hamas, as described by professional opinion and [demonstrated by] the evidence, shows that its civilian activities provide an infrastructure for its terrorist activities by supporting, reinforcing and encouraging them...transferring funds to support the families of suicide bombers and security detainees can certainly be considered an incentive and encouragement for the perpetrating of lethal terrorist attacks and has nothing in common with ordinary religious behests to contribute to the welfare of the needy and indigent, which the complainant [sheikh Ra'ed Salah] and his representatives would like to use to camouflage their actions.”

(Sheikh Raed (Bin Salah) Mahajneh v. State of Israel, Supreme Court of Israel, Case No. 7223/03, page 7 paragraph 5 (August 18, 2003)).

116. Hamas' social wing, called *Dawa*, provides food and educational assistance to religious and academic institutions which facilitate the teachings of Hamas. The social wing of Hamas is responsible for instilling a fundamentalist ideology at an early age in order to recruit suicide bombers, and “instill the spirit of jihad in the heart of the nation.”

117. In a July 31, 2001, Reuters article, Abdel-Aziz al-Rantissi, a senior Hamas official and spokesman stated, “The (Hamas) political leadership has freed the hand of the brigades to do whatever they want against the brothers of monkeys and pigs.” The term “brigades” refers to the group's military wing, Izz el-Din al-Qassam brigades. Rantissi further stated, “I urge all the brigades to chase and target the Israeli political leaders and members of parliament, the killer (Prime Minister Ariel) Sharon and the criminal (Foreign Minister) Shimon Peres.”

118. The charter states that it is “necessary that scientists, educators and teachers, information and media people, as well as the educated masses, especially the youth and sheikhs of the Islamic movements, should take part in the operation of awakening (the masses).” The charter calls for basic changes to the school curriculum, to cleanse it of traces of the ideological invasion ... of the Crusaders....”